

November 20, 2002

The Honorable David C. Mabie
Clerk of the Circuit Court
County of Prince William

Board of Supervisors
County of Prince William

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Prince William for the period April 1, 2001 through September 30, 2002.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system. However, we noted a weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Properly Document Cash Shortages

During a 12-month period, the court had ten separate incidents involving cash shortages totaling \$395. The Financial Management User's Guide has procedures for determining and documenting the cause of such errors. However, the Clerk did not document who or what caused the error in six of the ten shortages, and in the other four occurrences only documented the division responsible for the error. Without proper documenting who and why the error occurred, the Clerk is not in a position to identify and train the employees, who are causing the errors.

One of the reasons the Clerk cannot identify the source of the errors is due in part to the lack of cash drawer accountability. The Clerk should consider establishing separate cash drawers for each employee. The Clerk should also implement procedures to ensure that shortages are thoroughly researched and documented. Proper staff accountability of cash reduces the risk of errors and misappropriation of funds and may increase the potential for recovery of funds.

Strengthen Accountability over Manual Receipts

The Clerk needs to strengthen the procedures for recording and maintaining accountability over manual receipts. We found a \$1,000 manual receipt that remained unrecorded in the Financial Management System for two months after payment. The Clerk also

failed to maintain all required copies of voided and unused manual receipts and issued manual receipts out of sequence. Such conditions increase the risk of loss or theft of court monies. The Clerk should immediately comply with procedures for the documentation, use and recording of manual receipts as required in the Financial Management System User's Guide.

Properly Manage Accounts Receivables

The Clerk does not properly manage accounts receivables. Specifically, we noted the following:

- The Clerk did not record accounts receivable in the automated system immediately after final disposition of the case in accordance with the Financial Management System User's Guide. In seven of 15 unpaid cases tested, we noted delays between 28 and 40 days before entry of the accounts into the system. Also, the Clerk did not enter these same receivables into the Judgment Lien Docket without delay as required by Section 8.01-446 of the Code of Virginia.
- The Clerk improperly granted additional time to pay for incarcerated defendants. The Clerk should ensure that all defendants' due dates are set to the trial date in accordance with the Financial Management Systems User's Guide unless a court order or signed payment agreement states otherwise.

The Clerk must ensure that court staff possess an appropriate understanding of the accounts receivable process through proper training and supervisor oversight. Proper entry of receivables along with accurate due dates should strengthen collection procedures and increase the collection of court revenue.

We discussed these comments with the Clerk on November 20, 2002 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable William D. Hamblen, Chief Judge
Craig Gerhart, County Executive
Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
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